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Public vs. private: the double movement of change and continuity in capitalism

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Abstract

The current literature on comparative political economy does not seem to consider unifying the analysis of continuity and change in industrialized and semi-industrialized economies under a single theoretical framework. On the one hand, major comparative institutionally-based works derive their theoretical propositions from dynamics in the Western world. On the other, studies that are focused on national trajectories of development are concentrated in cross-national comparisons among countries with similar characteristics in what concerns strategies of development. In this paper, I argue that, in industrialized and semi-industrialized societies, all fields in the world of social action are pervaded by two major fields, hereby dubbed *metafields*: public and private, which are in a constant “double movement” to shape each other boundaries through the definition of social and property rights that regulate access to knowledge and capital. Both are metafields because they constrain human action and the organization of structures in market, civil society, and political arena in any capitalist society.

Introduction

The current literature on international political economy does not seem to consider unifying under a single theoretical framework the analysis of continuity and change in industrialized and semi-industrialized economies. On the one hand, major sociological-institutional works, such as Polanyi's markets vs. society dynamic (1944), and economic-institutional ones, like North's framework of structure and change (1981), derive their theoretical propositions from dynamics in the Western world. On the other, studies that consider national trajectories, including state-centered analysis (Shonfield 1965, Evans 1995, Kohli 2004), are concentrated in cross-national comparisons among countries with similar characteristics in what concerns strategies of development (e.g. state-led industrialization). Furthermore, when there are attempts to provide a comprehensive explanation that can be replicated to study different political-economic trajectories, such as Rostow's ([1960] 1990) modernization approach, it proposes convergence of trajectories, denying in the analysis unique nationally-rooted institutions and pathways to development.

In this paper, I propose that understanding national trajectories of capitalism depends on a general framework that explains *how* the system works holistically. Such explanation is based on the analysis of fields that manifest themselves through different organizations. It implies in an analytical framework that encompasses various fields of human *action* and *structure*, namely the state, the market, and the civil society. I assume that all fields in the world of social action – which includes political and economic action – are pervaded by two major fields, hereby dubbed *metafields*: public and private. Both are metafields because they constrain the action and the organization

of structures of all other fields in any society. In other words, they are spheres of power (Shonfield 1965).

I begin the discussion in listing definitions on state, market, civil society, and public and private metafields. Afterwards, I argue how Evans (1995), Kohli (2004), and Shonfield (1965), in theorizing about state-society relations and its implications for economic transformation and growth, provide tools to understand how it is possible that public and private metafields complement each other to promote development. After, based mainly on North (1981), Polanyi ([1944] 2001), and Rostow ([1960] 1990), I will discuss possible mechanisms of continuity and change. Basically I divide these mechanisms in sociological and rational-choice/institutional economic ones. These two poles are represented respectively by Polanyi, with the double movement between markets and society, and North, with his focus on property rights. Afterwards I will bring together all literature hereby discussed to scratch a general mechanism of continuity and change, based on a double movement between the public and the private metafields, the scope of social and property rights, and on the diffusion or restriction to the access to capital and knowledge to constituencies that are incorporated in a given order (such as a nation-state) within those fields exist.

Essential definitions

For analytical purposes, I define public metafield as the arena shared by the constituencies/citizens (holders of property and social rights) of a given social order and in which both economic and social relations take place. This is the space where legal entities – individuals (constituencies/citizens), organizations or firms – act as *social actors*, assuming the duties and benefits this social status implies. Meanwhile, the private metafield corresponds to the sphere within those legal entities – individuals

or organizations, such as firms and groups – act on their *self-interest*, as *private actors*. Both metafields depends mutually on each other and the division and the links between and within both constrains agency of legal entities. The private and the public metafields are in a process of mutual reinforcement. Such process happens when two or more factors interact in order to expand their scope and in a manner in which they may prosper. As Pierson (2004:11) explains, mutual reinforcement, also called positive feedback, “...can be highly influenced by relatively modest perturbations at early stages. Thus, such processes can produce more than one outcome. Once a particular path gets established, however, self-reinforcing processes make reversals very difficult.”

Based on the idea that both public and private fields pervades all human action, I suggest, first, that all national trajectories (Zysman 1994) are pervaded by those metafields; second, that those metafields are delimited by social and property rights, thus the definition of property and social rights shapes the boundaries between public and private metafields, insofar as social rights define duties and benefits that arise from the collectivity, whereas the property ones defines the scope of self-interested behavior. Those boundaries and rights move according to the social-political coalitions – groups of legal entities that come from diverse fields – that hold power in a given nation-state. These coalitions, in turn, reflect the degree of organization of members of fields in the civil society within each nation and ultimately seek to produce political stability rather than growth, insofar as stability allows them to retain power. In turn, the fields that are more cohesive within the private metafield are more likely to conquer more power with regards to the public metafield. Although the boundaries between public and private spheres have changed throughout history in each nation, the expansion of both is

limited by historical legacies, which, in turn, constrains changes in national trajectories and the scope of public and private spheres themselves. Finally, only when there is redistribution of capital and/or knowledge there are conditions for enlarging the scope of the ruling coalition and its constituencies, expanding the scope of property and social rights and, therefore, moving the limits between both metafields.

The definition of field I employ here is the one defined by Bourdieu (1977), a setting in which agents that hold social positions are located. As Fligstein (2001: 15) says, “[f]ields contain collective actors who try to produce a system of domination in that space. To do so requires the production of a local culture that defines local social relations between actors.” Following that, a metafield is a space whose control allows the exercise of power over agents in other fields. The public metafield, in this case, is not equal to the state or the civil society. Nor the private metafield corresponds to the market. In this paper, I understand the state as a field whose members, such as bureaucrats, have their own interests. Such field, however, governs relations within society and markets and between both in a given territory, where it enforces rules over other fields and claims to hold the monopoly of physical coercion. The state, thus, is a legal entity with its own interests, although it is supposed to be the major actor that acts on the behalf of the collectivity. Despite the power the state has to enforce rules, not all rules depend on the state to be enforced. Other fields also play a role on that, mainly the market, the economic sphere where individuals and firms exchange goods, services and assets, and the civil society, which stands “[b]etween the economic structure and the state with its legislation and its coercion” (Gramsci 1971: 208), serving as the locus of resistance and legitimation of the system through informal norms and collective actors (which I may also call societal groups) that operate based on those norms.

As said above, the scope of public and private metafields depends on both social and property rights. Social rights are related to the regulation to access of public goods, that is, mechanisms of redistribution of both capital and knowledge (such as education and health care systems), whereas property rights define the ownership of private goods, any physical or intangible entity that is owned by a legal entities, which, as I have been exemplifying, might be individual or collective (corporations, firms). I consider citizens/constituencies those individuals to whom both social and property rights and assigned *de facto*, not only *de jure*. On the other hand, those who have not access to both are subjects. For instance, they may play a role on accumulation process, but do not share the benefits of redistribution of wealth insofar as they have no full access to both property and social rights. The subjects, however, might become citizens if they have access to capital and knowledge and join a given social coalition (composed of various collective actors) in the struggle for the control in a polity.

The opposition public vs. private

Of all authors whose work I discuss, only two explicitly address – not necessarily in the way I propose here – the opposition between public and private fields, and both focus on the state: Shonfield (1965) and Kohli (2004). Whereas the latter focuses his work on developing economies, namely Brazil, Korea, India, and Nigeria, the former is concerned with Western nations in the zenith of the golden age of capitalism, in the 1960s.

Shonfield (1965) conceives the force that works behind modern capitalism machine as the constant balance between public and private power (understood by him

as the kind of power which emanates respectively from state and firm-based entrepreneurship), enhancing, thus, welfare, economic growth and stability. He argues that there are five tools or mechanisms through which that balance is possible: increasing influence of authorities of the public system over the private sphere, increasing concern with social welfare and the use of public funds, regulation of markets, society's expectation of continuous growth, and intellectual coherence between private and public management (Shonfield 1965: 66-67). Such mechanisms, as the author points out, operate through different institutions in each Western country and, as he lets implicit; those institutions emerge and are shaped according to historical legacies. For instance, France inherited a conception of state as a entrepreneur from the ancient regime and its mercantilism, that preserved at least partially privileges of guild system as the country moved into capitalism in the 18th and 19th Centuries (Ibid.: 86, 162). Whereas similar patterns are found in other states in continental Europe, British legacies favor the private sphere over the public in order to secure personal liberty. Indeed, as Shonfield argues, the state in the United Kingdom is considered a societal actor as any other, while in France it has enough legitimacy to discriminate and, thus, to favor different groups (Ibid.: 120).

In the analysis of development in the global south, Kohli follows ideas that are similar to Shonfield's, although with a deeper historically-base analysis. He argues that "...the way state power is organized and used has decisively influenced rates and patterns of industrialization in the global periphery" (Kohli 2004: 9). To understand state structures and the consequences derived from them, the author works with the concepts of public vs. private arenas and social basis. These arenas, however, lack a precise definition, insofar as he suggests that the public is restricted to the state,

whereas the private is circumscribed to market actors. As he states, "...a defining characteristic of all modern states is a well-established public arena that is both normatively and organizationally distinguishable from private interests and pursuits. Unfortunately, for a variety of historical reasons, this distinction between the public and private realms was never well established in a number of developing country states, especially African states. As a result, a number of distorted states emerged with weakly centralized and barely legitimate authority structures, personalistic leaders unconstrained by norms or institutions, and bureaucracies of poor quality" (Ibid.).

Those states, says Kohli, might be labeled neopatrimonial. They have unclear public-private separation, and emerge in societies that lack internal cohesiveness, such as Nigeria. As I suggest, these societies are not in fact civil societies since the linkages among its members and institutions depends almost exclusively on the state and on the political power of the coalition that holds power. Following this terminology, I argue that Kohli's ideal types of state depend on the strength of the civil society they govern. For instance, if neopatrimonial states relies on the absence of civil society, cohesive-capitalist ones, among them South Korea, relies on a broad social basis, on the one hand, and on a competent bureaucracy of a centralized powers that operates in order to enhance a separation between state and society. Notwithstanding, state powers dialog with society, whose members and institutions, in this case, have linkages among themselves that work independently from the state. Between those two ideal types, there is the fragmented-capitalist state, in which a narrow social base, and – to use my terminology – a civil society that depends on the state to survive constrains the emergence of a stronger autonomy between public and private metafields. Brazil and India, Kohli argues, represent this intermediate type. All these types arise from the

combination of colonization legacies with local structures, mainly nationalist movements and armed forces (Ibid.: 9-20).

In brief, Shonfield and Kohli bring the following concerns about the public versus private dynamics in, respectively, the industrialized nations and the developing world: First, to what extent the state plays a role in development, understood as the economic change through industrialization or its advancement; second, once the state intervenes in the economy, how to assure that such intervention does not make the state vulnerable to be captured by specific interest groups or social coalitions that are likely to organize it to their own benefit. To advance the review, first we must understand this puzzle, which interestingly appears in different moments and places of capitalist expansion. Evans's idea of embedded autonomy (1995) along with a "sociological taste" represented by the addition of the concept of civil society to Shonfield's and Kohli's state-centered frameworks provide tools to address those two questions.

Like Kohli, Evans devotes his efforts to understand economic transformation in the global south, focusing on a specific sector – informatics –, and shapes his argument around ideal state types: Developmental, which takes an active role in fostering industrial transformation, and predatory, characterized by the extraction of resources from the society at the expense of development (Evans 1995: 12). He groups Brazilian, Indian, and Korean states under the same developmental rubric, conferring them, however, different labels according to the degree of embedded autonomy they have. "[T]hey are embedded in a concrete set of social ties that binds the state to society and provides institutionalized channels for the continual negotiation and renegotiation of goals and policies. Either side of the combination by itself would not work. A state that was only autonomous would lack both sources of intelligence and the ability to rely on

decentralized private implementation. Dense connecting networks without a robust internal structure would leave the state incapable of resolving “collective action” problems, of transcending the individual interests of its private counterparts. Only when embeddedness and autonomy are joined together can a state be called developmental” (Ibid.).

Evans’s account complements Kohli and Shonfield in making explicitly the main tool through which state-society cooperation is possible, going beyond mere descriptions, as Shonfield predominantly does, and classifications of state and society, in which Kohli offers his most substantial contribution. However, I point out that Shonfield at least scratches a discussion on mechanisms of society control over an active state on economy, asking for tools that complement representative democracy: accountability and transparency from within the administration, technical bodies to assist parliaments in assessing economic processes; and to make explicit the relationship between public actors and private interest groups (Shonfield 1965: 387-388). Notwithstanding a question remains unanswered: how does a given balance between embeddedness and autonomy that prevent the capture of the state by a single-interested, “selfish” social coalition lead to economic development and overall social change? If historical legacies influence outcomes, as all three authors discussed thus far agree, at a first glance nobody can take the risk of denying the agency of social-political coalitions in shaping social and property rights and, thus, the scope of public and private metafields.

Change and continuity

Evans (1995: 228) offers the start of a possible answer for the persistence of continuous patterns: He sees a mutual reinforcement between state and an industrial

class stimulated through state process in states such as Korea, an archetype of developmental state. The author also envisions the possibility that state policies opens room for unintended consequences, such as the emergence of groups which conflict with state's projects. An example is the labor militancy that arise among the most qualified workers (Ibid.: 229), as well as the empowerment of subordinated groups thanks to external shocks, such as wars. In Evans's own words, "[m]ultiple organized constituencies make it easier to balance embeddedness and autonomy." (Ibid. 246). Those constituencies – or, as I would say, social-political coalitions – entail what I defined as civil society in the lines above. However, if it acts to preserve stability, may it also enhance change?

In fact, Polanyi's double movement ([1944] 2001) between markets and society does attribute, in processes of change, a major role to what here is considered civil society. In brief, he argues that the self-regulating market that emerged shaped by state actions in the 19th Century and collapsed with World War I, in 1914, had its expansion constrained by a countermovement from society. In other words, the principle of economic liberalism was met by the principle of social protection, which aimed to preserve man and nature from disruptions provoked by self-regulating markets. Those who suffered the effects of disruptions, such as workers and peasants, embraced that last principle, demanding from the state instruments of intervention in economic and social relations (Ibid.: 138). Nonetheless, I point out that Polanyi contradicts himself as he analysis the effects of capitalism over social life in 19th Century Europe: Had the market been as powerful as he depicts in *The Great Transformation*, non-economic societal ties would have totally collapsed, excluding any possibility of reaction against the economic excesses during the *belle époque*.

Nonetheless, not all countries have an articulated society, that is, a civil society which encompasses a wide variety of societal groups and a broad social-political coalition to build and demand institutions and participation in wealth prior to the process of economic development. Despite the fact that Rostow's ([1960] 1990) idea of stages of economic growth proved to be empirically imprecise – insofar as it implied in the eventual convergence among nations with regards to the degree of economic evolution – a review of part of his framework helps in advancing the discussion on continuity and change. He states that there are two cases in which the conditions for the take-off to economic growth and thus to enhance change happen. The first one consists in changes “...in political and social structure and even in effective social values” in order to enhance industrialization, whereas in the second case the take-off was delayed “...by the high (and even expanding) levels of welfare that could be achieved by exploiting land and natural resources.” (Rostow [1960] 1990: 36). Both cases, however, demand state action to accumulate economic or social capital, bringing, for instance, changes in the degree of “...productivity of agriculture and the use of other natural resources whose quick achievement may also constitute a precondition for take-off.” (Ibid.: 30). Among the social changes, there might a reactive nationalism, such as what happened in Japan during the Meiji Restoration and in Germany – both in the 19th Century – and an elite leadership to direct efforts towards increasing production and industrialization (Ibid.: 26). As the country takes-off, it goes to the maturity phase, and the working force changes, shifting from agriculture to industry, allowing – and even requiring – social-political concessions to the masses, such as welfare programs and democracy (Ibid.: 72).

Thus, taking Rostow's framework into account ([1960] 1990), one could surely understand industrialization as the driving force that fosters both the market and the civil society, thus creating conditions for the emergence of a broad social-political coalition that challenges in a double movement eventual holders of power that do not promote a social order that gives actual citizenship to all. If such coalition succeeds, both social and property rights are widened and lastly redefine the boundaries between the public and private metafields. He, however, does not theorize the state as Evans (1995) and Kohli (2004) do, although all three attribute a crucial role to the state in development. Nor Rostow ([1960] 1990) discusses in details the structure of societies that are ready for change. In one of deepest analytical parts of his work, he attributes to entrepreneur elites an important role in changing previous, archaic orders: "What appears to be required for the emergence of such elites is not merely an appropriate value system but two further conditions: first, the new elite must feel itself denied the conventional routes to prestige and power by the traditional less acquisitive society of which it is a part; second, the traditional society must be sufficiently flexible (or weak) to permit its members to seek material advance (or political power) as a route upwards alternative to conformity" (Rostow [1960] 1990: 51).

The lack of a deeper theory of both state and society dynamics in Rostow ([1960] 1990) can be complemented by Fligstein, Campbell, and North. Fligstein (2001: 16) conceives state building as "...the historical process by which groups outside of the state are able to get domains organized by the state to make rules for some set of societal fields. These rules reflect the interests of the most powerful groups in various fields." Fligstein also mentions three possible sources of instability within markets: internal conditions, exogenous conditions, and relations between state and

firms (Ibid.: 90). However, he does not go in detail about these sources or attempt to build a general mechanism of change. Nor he theorizes about civil society in his work either, focusing his analytical efforts on relationships around firms.

Campbell at least provides framework on change and continuity in general – an argument not restricted to political economy (2004). Like Rostow's elites ([1960] 1990), Campbell's entrepreneurs – not only economic ones – trigger change, although are dependent on social mechanisms and ideas. Entrepreneurs are more likely to be successful if they articulate and frame problems in clear and simple terms (Campbell 2004: 177). Furthermore, to have chances to be revolutionary rather than evolutionary, they have to be located “at the interstices of several social networks, organizations, and institutions, especially if their location exposes them to new ideas.” (Ibid.: 177). As Campbell, North provides a multicausal explanation for change and continuity: “The major source of changes in an economy over time is structural change in the parameters held constant by the economist – technology, population, property rights, and government control over resources. Change in political-economic organization and its consequent effect of incentives are basic to theorizing about all these sources of structural change; and alterations in institutions involve purposeful human activity” (North 1981: 57).

Nonetheless, unlike Campbell, he does not discuss social agency. North focuses on a structural factor derived from a self-interested, purely rational conception of human beings: Property rights. According to him, there is a “...widespread tendency of states to produce inefficient property rights and hence to achieve sustained growth; and the inherent stability of all states, which leads to economic change and ultimately to economic decline.” (Ibid.: 23). Such a tension is a process that has been pervading

historical processes, at least in the West: “From the redistributive societies of ancient Egyptian dynasties through the slavery system of the Greek and Roman world to the medieval manor, there was persistent tension between the ownership structure which maximized the rents to the ruler (and his group) and an efficient system that reduced transaction costs and encouraged growth. This fundamental dichotomy is the root cause of the failure of societies to experience sustained economic growth...” (North 1981: 25).

Under such logic, the delimitation of the private metafield is always inefficient, not attending the demands of individuals and, by extension, of society as a whole, insofar as such rights and self-interest drive would change and advancing in production. Despite of the primacy of these factors, North recognizes that institutions and ideology do play a role in structuring orders, as they do in fields (Fligstein 2001). Those factors, North argues, respectively provide a framework in which people interact cooperatively and competitively and legitimize such framework (North 1981: 182, 201).

However, I agree with Rostow about the proposition that “[m]an is a pluralistic being – a complex household, not a maximizing unit.” (1960: 167). It implies that, if man is condemned to chose, his choices will derive from how he is taught to choose, a process framed through institutions and ideologies. They, in turn, play a role in shaping fields, such as the state and civil society. In shaping those fields, they also contribute to model social coalitions that emerge from those *social loci*. Once in power, a given coalition shapes social and property rights to structure accumulation and redistribution, shaping also the limits between both public and private metafields. All these mechanisms imply that every society (here understood as a nation-state) has different conceptions of public and private spheres. Such conceptions, translated in institutions

and legitimized through ideologies, affects the patterns of change and continuity. Ultimately, societies and individuals shaped by those institutions have different frames in which the distribution of capital and knowledge that shapes possibilities of choice – defined as agency from either individuals or groups, such as firms – operates.

Beyond the individual-rational actor

Almost 40 years before North published his classical work, Polanyi had already stated that self-interest and markets were socially constructed, which implied in the fact that self-interest and rational choice do not necessarily drive human action always. Economic exchange can operate through other logics besides the market one based on bartering. The other exchange logics identified by Polanyi are reciprocity, redistribution, and householding (Polanyi [1944] 2001: 49-55). Although North (1977) argues that these logics are also based on self-interest, a fact remains unchangeable from the Polanyian framework: Even if self-interest plays a constant role in human and in economic action, it does not always directly lead to accumulation, since everyone is not and cannot be in the productive sector. "...[A]ll archaic kingdoms made use of metal currencies for the payment of taxes and salaries, but relied for the rest on payments in kind from granaries and warehouses of every description, from which they distributed the most varied goods for use and consumption mainly to the nonproducing part of the population, that is to the officials, the military, and the leisure class" (Polanyi [1944] 2001: 54).

Indeed, considering Polanyi's thoughts, I would argue that what he defines as redistribution is still part of modern capitalism as depicted by Shonfield (1965): The state appropriates part of the accumulated capital to sustain the non-productive sector,

such as the bureaucracy. The non-productive sector is essential to build capabilities that, in turn, create conditions for further accumulation, as I stated in the introduction. Among those capabilities, there are education and health, which in modern capitalism is generally provided, but not only, through public funds, to which people have access through social rights. Nonetheless, my interpretation of Polanyi's statement about redistribution does not necessarily contradict North's work. North only states that the social process focused on the individual and private property, although constrained by institutions and ideology, lead to more efficiency in the West and its prominence in the world-system. In fact, what I have been trying to argue is that both processes – accumulation and redistribution – and rights – the social ones and those over property – enhance continuity and change in modern capitalism elsewhere.

If the public and the private are social contingencies, so are their mutual embeddedness and their embeddedness in given society/nation-state, likewise what happens with the economy (Granovetter 1985). As individuals are embedded in a given social order, they overlap with them in practice (Callon 1998). Thus, despite analytical definitions, in practice the picture is more complicated. Recent economic developments support such statements, echoing North's assumption that property rights are never efficient. After the analyzing the structure of property rights in transitional economies in Eastern Europe, Eyal et al. (2000: 151) consider that “[t]he dispersion of property rights is a *universal* phenomenon, but in market capitalist economies with an established propertied bourgeoisie it faces strict limits which do not exist in post-communism.” Therefore, market economies seem to operate differently as long as they have different notions of property rights. However, different varieties of capitalism (Hall and Soskice 2001) may enhance similar results in terms of accumulation.

In fact, considering Showfield (1965), Evans (1995), and Kohli (2004) analysis of capitalist development, there are in some national economic models deep connections between private/market actors – such as the Korean chaebol, the Japanese kereitsu, and large French corporations – and a field that is supposed to work mainly in the behalf of the collectivity – the state. Notwithstanding, these connections, as said before, do not imply in neopatrimonialism if as embedded autonomy (Evans 1995) takes place, enhancing accountability processes. It leads to the conclusion that social control over the state through mechanisms that held it accountable enforces redistribution of wealth generated with the direct support of the state. Ideology – to use a term from North's literature – that legitimizes such process/structure provides a common identity among individual and institutions embedded in the system as well as a sense of individuality/uniqueness, in other words, a private dimension in which self-interest dominates.

Therefore, it is possible to agree with North that efficiency surrounding property rights explain *partially* change. On the other hand, I side with Evans's criticism on North's for focusing too much on property rights even in his later work (1990), which adds little to this discussion (Evans 1995: 33). Nonetheless, as said before, authors concerned with the state tend not to develop the analysis of social dynamics that produce coalitions that capture the state. In fact, change will not depend only on efficiency, but also on political and societal arrangements. Rather than promoting changing, such arrangements/coalitions may constrain further change in order to promote stability. Such stability aims to preserve its own power despite the existence of alternatives that are more efficient and, therefore, able to enhance further accumulation and welfare even for the ruling coalition itself. The problem is that such

alternatives may depend on further redistribution, which would, in the long term, empower non-members of the ruling social-political coalition. It, in turn, would have its current position undermined or at least threatened by other citizens or even subjects.

Now it is worth to turn back to Polanyi's conception of society. He derived his framework from the western world, where the production had as initial focus the internal market or where at least the internal market was consolidated before a shift towards emphasis on exports. As I argued, economic ties fostered social ties, creating a broad civil society, which later became a broader social basis for democratic political rule. But what happens if such social basis for the ruling coalition remains narrow despite population growth? For North (1981: 207), population growth leads to growth in capital stock. Such growth also happens because of knowledge changes. Nonetheless, if such capital is directed mainly to production for export and/or attached to foreign constituencies, economic expansion does not foster a civil society (Cardoso and Faletto 1979).

Nonetheless, the lack of social connections independent from the state does not suffice for preventing the formation of social-political coalitions to challenge the rulers and their social basis. Stability also requires that ideology legitimizes social asymmetries and, thus, keeping static the access and the scope of property and social rights and, therefore, the established, *status quo* limits of both public and private metafields. In this case, only rulers and the constituencies of their social-political coalition have access to public goods and, thus, to property rights. Legitimization depends on some degree of redistribution that is enough to contain eventual social turmoil, such as concessions through charity from rulers to poor masses that are not citizens *de facto*, but subjects (Mamdani 1996). These mechanisms of redistribution,

however, are not social rights, insofar as they constrain the autonomy, that is, the private life of the individuals who compose the masses. That being said, one concludes that, in such a context, without changes in ideology, the masses will not demand further redistribution. They are found in an *iron cage* – to use a Weberian definition – of structure. As Campbell says, “in sum, structure constrains the range of *possibilities* for institutional change that are generally available to creative actors and from which these actors may choose. Structure does not completely determine choices and outcomes, but it influences the *probabilities* that one innovation will be created, selected, implemented, and sustained rather than another.” (Campbell 2004: 183).

The new double movement

Therefore, historical legacies embedded in structures common to all societies limit changes, unless a new coalition emerges to challenge the ruling one. Which are the pre-requisites to create a environment to change the structure of social capital – to use Rostow’s terminology ([1960] 1990) – and, thus, to strengthen society – as defined in the Polanyian framework – in order to create conditions to the emergence of a challenging coalition that may be likely to gain power and to replace the incumbent iron cage that keeps stable the scope of the public and private metafields and the access to property and social rights? How to advance towards a clearer separation in practical terms between state, markets, and civil society and, thus, to a higher degree of embedded autonomy that will prevent state capture? I started to discuss it in the section “Change and Continuity,” pointing out the role of new elites and entrepreneurs (not only in business) in Rostow’s ([1960] 1990), Evans’s (1995), and Campbell’s (2004) frameworks, and of ideologies in fostering identities and, thus, in shaping change. They all agree, although in different levels, to the fact that the incumbent social-political

coalition has to lose internal cohesion, so the structures – that is, a given established order – than they sustain also crumble and become vulnerable to challengers.

However, unless those challengers – generally non-owners of either property or social rights and, thus, subjects in a given accumulation-redistribution order – are articulated among themselves to overcome bifurcation (defined as Mamdani [1996] as the separation between citizens and subjects), claiming and conquering inclusion into that same order, the incumbent social-political coalition is likely to keep power. The challengers, thus, have to overcome the subject status they are found in practice in order to be participants of the public sphere and, thus, to have the right to a private sphere, that is, to become citizens. Such bifurcation between citizen and subjects, in which the access to both social and property rights are restricted to an elite, pervade African failed states, for instance, as Mamdani (1996) argues. In fact, those states, such as 1990s Rwanda, fit on Evans's (1995) and Kohli's (2004) neopatrimonial classification.

Challenging entrepreneurs/leaders, however, will not succeed without a broad social basis. Such basis depends on two assets to achieve power: capital and knowledge, to use North's terminology. Both assets have to be accumulated in primitive degrees (to borrow a Marxist idea) to enhance rhetoric of identity tied with notions of individuality and a material basis to conquer power. In the past such a process of empowerment used to happen mostly through wars. Now simply politics might be enough. Property rights assure mainly access to capital, whereas social rights warranty access mainly to knowledge. Social rights redistribute information through human capability building (as mentioned by Dreze and Sen 2002), which in turn creates conditions to individuals to pursue capital accumulation. Capital accumulation, on the

other hand, cannot take place without property rights and strengthen the private field, that is, a space for the individuals to pursue their own interests. Notwithstanding, they still depend on the collectivity, that is, the public field, to have access, through redistribution, to the private benefits of accumulation in other systemic unities, that is, societal actors such as individuals and firms.

Therefore, both public and private metafields expand in a process of mutual reinforcement and through a double movement, that is, an expansion in the accumulation will, even in the long term, demand further redistribution and vice-versa. The order upon which that public and private dynamics operate will be more likely to thrive in the long run if more people are incorporated into it. Even partial incorporation, through the concession of some rights to subjects, reduces the degree of bifurcation between them and citizens, and/or, despite persistence of bifurcation, stability persists if rhetoric and the control of violence apparatus constrain the access of potential challengers to accumulation of primitive knowledge and capital which are essential to challenge the current order. Also, for the rulers, it is extremely important to prevent alliances between, on the one side, unsatisfied citizens/members of the social-political ruling coalition (potential defectors), and, on the other, subjects who want to challenge the prevailing order, through the contestation current scope of both social and property rights and, as consequence, of the public and private fields.

Social rights, thus, might be more effective than property rights for preserving and advancing a given order. Social rights provide redistribution and, therefore, stability for further accumulation that will benefit more and more the social basis (the citizens) that supports the ruling coalition and the elites that appropriates most part of the accumulation. In a given moment, the coalition may prefer stability rather than

change/expansion of the scope of the public metafield in order to impede the redistribution of capital and knowledge, an unavoidable process if a society wants to attain sustainable growth. Such preference derives from the hypothesis that, in the long term, such redistribution among citizens may foster internal cleavages and struggles for power, insofar as emerging groups in civil society gains strength and may look for support from the subjects to achieve power.

The arguments above explain persistence of stability without further pressures for change. A brief comparison between Brazilian and Korean authoritarian rules and economic growth in the 1960s and 1970s (based on information from Kohli 2004) exemplify the coherence of that framework. Whereas Brazil did not expand the extent of its population who were citizens *de facto*, with access to property and social rights in order to benefit from the expansion, Korea relied first in building an internal market, that is, promoting accumulation through land reform and redistribution based on investments on education, before launching an export-led growth strategy during which the accumulation-redistribution schema. Facing external crisis in the aftermath of the oil shock, Brazilian order based on a pact among military, bureaucrats, and a middle class which held in practice social and property rights collapsed. Social unrest did not happen though, insofar as subjects, such as rural and low skilled workers, did not have those primitive capital and knowledge accumulation pre-requisites. During the authoritarian rule, however, they received “carrots”, such as retirement pensions for rural workers and limited literacy projects, to be kept under control.

Different trajectories of development and methods of market coordination in the global north also fit in the double movement between public and private metafields. Based on empirical evidence from North (1981), Polanyi ([1944] 2001), and the

varieties of capitalism analysis (Hall and Soskice 2001), I argue that the public sphere has been historically broader in continental Europe, with the provision of more social rights, than in countries that follow the Anglo-Saxon tradition, like United Kingdom, Canada, and The United States. Thanks to redistribution mechanisms – at least in part – countries, such as Germany and France, were able to catch up in the golden age of capitalism with the American economy while providing higher welfare levels to its citizens. Even during globalization era, since the 1990s, continental economies have been able to present an average economic performance as high as in Anglo-Saxon nations, which are least corporatist and lean spenders (Wilensky: forthcoming).

To summarize, social rights are redistributive ones and complement property/accumulation rights, enhancing further accumulation through income expansion and human-capability building that spreads distribution of knowledge to foster personal autonomy amid a common sense of identity, laying the basis for the idea of citizenship as defined in this work. The expansion or eventual contraction of both set of rights constitutes the core mechanism of the double movement between both public and private metafields. In the real world, such movement happens through the action of social-political coalitions. Nonetheless, the definition and the scope of the public and private metafields, that is, what are the attributions of the collectivity and of self-interested action, vary from one society to another. The maintenance of the boundaries between both realms requires, however, ideological legitimacy among civil society and an effective control by the state of physical repression apparatus – hegemony, in Gramsci's (1971) words.

Conclusion

Political economists still face the challenge to build a single theoretical framework that analyzes capitalism in its different versions, indentifying common, structural characteristics among all economies integrated to the international markets. It is particularly puzzling in nowadays, when development strategies in which property rights are unclear (Huang 2008) and strong degrees of state intervention enhance growth amid relative stability despite the lack of redistribution, as it is the case of China and India (Bardhan 2010). The accomplishment of such a challenge does not mean denying national trajectories of growth, but rather dedicating efforts to realize in political science something similar to the task accomplished in Anthropology more than 50 years ago, when structuralism was brought to that social science. Although societies are different among themselves, that they have similar structures expressed in singular, historically-rooted institutions.

In this paper, I argued that the major works in political economy in the 20th Century offer theoretical elements to build a structural-general framework to analyze continuity and change in capitalism based on the double movement between the public and the private spheres. This approach implies in a historical-sociological approach rather than a rational-choice/economic institutional one. I did not expect to produce a new theory. My intention was indeed to scratch a basic structural-general framework to better understand continuity and change mechanisms, based on the critique to works that deals with economic, political, and social transformation that arise form changes in the mode of production. Each work is effective to understand the case studies each one focuses on, although all lack strength if their theoretical tools are applied alone to other contexts.

All national trajectories are pervaded by the existence of public and private metafields in each society: this seems to be the possible common structural denominator and the possible convergence within the main literature on continuity and change in capitalism, as well as a framework to explain varieties of capitalism (Hall and Soskice 2001). Such statement, however, does not imply in convergence among different economies as Rostow ([1960] 1990) predicted. Also such boundaries move according to the political-social coalitions which hold power. In turn, such coalitions reflect the degree of organization of civil society in each nation and ultimately seek to produce political stability rather than growth, challenging North's institutional economics assumption on continuity and change.

The mechanisms that play a role on that new double movement are property and social rights, which assure mainly accumulation and redistribution, respectively. The access to these rights assures to one the *effective* status of citizen of a given order, such as a nation-state. Subjects do not share the benefits of redistribution of wealth even the law warranty them so, but plays a role in accumulation as workers/proletarians. In order to challenge an established order, the outsiders need at least a primitive accumulation of capital and knowledge to recognize themselves as individuals and potential citizens. Coalitions with citizens who are discontent with the ruling coalition and lack of cohesiveness among rulers complement that primitive accumulation as pre-requisites to the expansion of the scope of the public metafield.

Once a new order is established, there is mutual reinforcement among state, market, and civil society that brings stability to the overall societal arrangement, enhancing further sustained accumulation and redistribution if there is a broad social basis backing the order. Such broad basis needs to have a large number of citizens and

representatives of the diverse societal groups from the market and civil society. Such a process may lead to embedded autonomy as defined by Evans (1995), and to an economic development in the terms he, Kohli (2004), and Shonfield (1965) discussed.

A general theory of continuity and change, if it is actually possible to be conceived, demands a more detailed definition of the mechanisms that play a role in the double movement between public and private metafields, and of the origins of the definition of them in different societies. One plausible hypothesis lays on the time when national economies were built and/or integrated and on traditional mechanisms of social cohesion, mainly religion, impacting state and civil society formation. Like markets (Fligstein 2001), they might be theorized as fields and as part of a general conception of society. These observations reveal how intriguing the hypotheses defended above are to those interested in big questions in social sciences. Such trend in economics, political science, and sociology has been denied in favor of the analysis and theorization of micro and local dynamics in a way that ignores possibility of replication of a framework or of a given argument in other case-studies.

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